STATE CONTROLLER'S OFFICE PERSONNEL/PAYROLL SERVICES DIVISION P.O. Box 942850 Sacramento, CA 94250-5878

DATE: August 6, 2003

PAYROLL LETTER # 03-013

TO: All Agencies/Campuses in the Uniform State Payroll System

FROM: JOHN R. HARRIGAN, Chief

Personnel/Payroll Services Division

RE: 2003/2004 RETIREMENT EMPLOYER CONTRIBUTIONS

As a result of the delay in passage/signing of the 2003/2004 Budget Act, the new Public Employees' Retirement System employer contribution rates were not implemented timely. As such, retirement contributions withheld from payments issue dated July 2 through July 31, 2003 were calculated using the 2002/2003 rates.

Our office will implement an interim "adjusted" rate for payments issue dated August 4 through September 1, 2003. These rates will compensate for the differences in withholding of employer contributions during the month of July. The "adjusted" rates are as follows:

Miscellaneous-1st Tier	22.273%
Miscellaneous-2nd Tier	17.717%
State Industrial	19.340%
State Safety	26.805%
Highway Patrol	42.230%
Peace Officer/Firefighter	26.725%

For payrolls issue dated September 3, 2003 and thereafter, the employer rates in the 2003/2004 Budget Act will be used.

If you have any questions regarding this Payroll Letter, agencies should call Payroll Liaison at (916) 323-3081. Campuses should call CSU Payroll Liaison at (916) 322-7980.

JH:BM:SACS